
By: **Delegates Doory, Mandel, Dypski, Benson, Clagett, Rosso, McIntosh,
Riley, Bobo, Moe, Dobson, Snodgrass, Bronrott, Menes, Paige, and
Healey**

Introduced and read first time: February 10, 2000
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Credit Cards - Student Applicants and Cardholders**

3 FOR the purpose of prohibiting credit card issuers from purchasing or otherwise
4 obtaining from an institution of higher education certain information about the
5 students at the institution of higher education; requiring credit card issuers that
6 solicit credit card applicants on campuses of institutions of higher education to
7 provide certain educational opportunities for students at the institutions of
8 higher education; prohibiting credit card issuers from offering gifts or other
9 promotional incentives to students at institutions of higher education in
10 connection with an application for a credit card; prohibiting credit card issuers
11 from taking certain legal action against the parent or legal guardian of a
12 student at an institution of higher education under certain circumstances;
13 defining certain terms; and generally relating to the solicitation of student
14 credit card applicants and the collection of student credit card debt.

15 BY adding to
16 Article - Commercial Law
17 Section 13-319
18 Annotated Code of Maryland
19 (1990 Replacement Volume and 1999 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Commercial Law**

23 13-319.

24 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
25 INDICATED.

26 (2) "CONSUMER" MEANS A PROSPECTIVE OR ACTUAL PURCHASER OF
27 GOODS OR SERVICES PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD USE.

1 (3) "CREDIT CARD ISSUER" MEANS A PERSON THAT EXTENDS TO A
2 CONSUMER THE RIGHT TO USE A CREDIT CARD IN CONNECTION WITH PURCHASES.

3 (4) "INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING STATED
4 IN § 10-101 OF THE EDUCATION ARTICLE.

5 (B) A CREDIT CARD ISSUER MAY NOT:

6 (1) PURCHASE OR OTHERWISE OBTAIN FROM AN INSTITUTION OF
7 HIGHER EDUCATION THE NAMES OR ADDRESSES OF THE STUDENTS AT THE
8 INSTITUTION OF HIGHER EDUCATION; OR

9 (2) OFFER GIFTS OR OTHER PROMOTIONAL INCENTIVES TO STUDENTS
10 AT AN INSTITUTION OF HIGHER EDUCATION IN CONNECTION WITH AN APPLICATION
11 FOR A CREDIT CARD.

12 (C) A CREDIT CARD ISSUER THAT SOLICITS CREDIT CARD APPLICANTS ON A
13 CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION SHALL PROVIDE
14 OPPORTUNITITES FOR STUDENTS AT THE INSTITUTION OF HIGHER EDUCATION TO
15 BECOME EDUCATED ABOUT THE PROPER USE OF CREDIT CARDS, METHODS TO
16 AVOID EXCESSIVE INDEBTEDNESS, AND HOW TO MANAGE DEBT RESPONSIBLY.

17 (D) UNLESS THE PARENT OR LEGAL GUARDIAN OF A STUDENT AT AN
18 INSTITUTION OF HIGHER EDUCATION AGREES IN WRITING TO BE LIABLE FOR THE
19 STUDENT'S CREDIT CARD DEBT, A CREDIT CARD ISSUER MAY NOT TAKE ANY LEGAL
20 ACTION AGAINST THE PARENT OR LEGAL GUARDIAN IN CONNECTION WITH THE
21 COLLECTION OF ANY DEBT OWED BY THE STUDENT TO THE CREDIT CARD ISSUER.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2000.